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Attorneys for Chapter 11 Trustee
E. Lynn Schoenmann

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re:

Chapter Number: 11

JOHN A. RYAN and DANIELLE T.
RYAN,

Case No. 05-32933 DM 11

Debtors.

NICKI LOS CIOLINO, et al..

Adversary Pro. No. 05-3428

Plaintiffs,

VS

JOHN A. RYAN *et al.*

Date: October 12, 2007
Time: 10:00 a.m.
Courtroom: Honorable Dennis Montali

Defendants

Date: October 12, 2007

Time: 10:00 a.m.
Courtroom: Hon.

Defendants

Courtroom. Honorable Dennis Montan

RECITALS

A. On January 28, 2005, Nicklos Ciolino, Charles Ciolino, Daniel Delorenzi, Robert Aguilar, and Stephen Daniele (collectively, “Plaintiffs”) filed a First Amended Complaint to Set Aside or Annul Fraudulent Transfers and for Damages against John A. Ryan; Danielle Ryan, aka Danielle Bianchi; Lawrence Chazen; Lawrence J. Chazen Revocable Trust; William Stewart; Craig Judy; Patricia Judy; Lawrence Cavallini; Kathy Cavallini; and Jean Ryan (collectively, “Defendants”) in the Superior Court of the State of California, County of San Mateo.

B. Plaintiffs alleged that Defendant John A. Ryan made a number of fraudulent transfers of his assets to the other Defendants.

C. On September 7, 2005, John A. Ryan and Danielle Ryan (the "Debtors") filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. E. Lynn Schoenmann was appointed as Chapter 11 Trustee pursuant to the Court's Order of February 14, 2006.

D. On October 4, 2005, the state court action was removed to bankruptcy court and was converted to this adversary proceeding. The matter did not proceed beyond initial disclosures, and the Trustee was appointed. The value of this action is affected by the related lien priority adversary (05-3450), with the appeals of this Court's decision in that related adversary, proceedings in the fraudulent transfer matter did not extend beyond initial disclosures of the parties. The lien priority issue is now pending before the Ninth Circuit in two related appeals (one taken by creditor Chazen, the other by the Trustee). In preparation for a potential mediation with the Ninth Circuit Mediation Panel, the Trustee has now sought formal leave to intervene in the fraudulent transfer adversary to avoid any question about the bankruptcy estate's right to participate in mediation discussions and potential settlement.

NOW, THEREFORE, THE PARTIES STIPULATE AS FOLLOWS:

1. The Trustee's Motion to Intervene should be granted.

2. Should the mediation with the Ninth Circuit Mediation Panel not result in settlement, the Trustee shall request that within ten days the Court set a status conference at which time the Court may provide a schedule for further proceedings in the matter, including responses to the Complaint-in-Intervention. Until such dates are set by the Court, no party need respond to the Complaint-in-Intervention.

October 9, 2007

/s/
T. Michael Turner
Counsel for Debtors and Defendants John A.
Ryan and Danielle T. Ryan

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October 10, 2007

/s/

Michael D. Liberty
Counsel for Plaintiffs Nicklos Ciolino, Charles
Ciolino, Daniel DeLorenzi, Robert Aguilar, and
Stephen Daniele

October 17, 2007

/s/

Iain A. Macdonald
Counsel for Defendant Lawrence Chazen

October 10, 2007

/s/

Desmond B. Tuck
Counsel for Defendant William F. Stewart

October 9, 2007

/s/

Herbert Rowland
Counsel for Defendants Kathy Cavallini,
Lawrence Cavallini, and Jean L. Ryan

October 10, 2007

/s/

Michael Mazzoccone
Counsel for Defendants Craig and Patricia Judy

October 9, 2007

/s/

Thomas F. Koegel
Counsel for Chapter 11 Trustee E. Lynn
Schoenmann

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